ADJOURNMENT MOTION.

PRESIDENT: I have received notice of a motion for adjournment from Mr. Narayanaperumal Nadar.

It is—

"to discuss a matter of urgent definite public importance, namely, the situation created among the Puduval Cultivators of the area commanded by the Kodayar Project, owing to the coercive process adopted for realising water tax for 1113, though a large portion of the said area remained fallow (tharisu)."

It will be noticed by honourable members that on the opening day various adjournment motions were submitted to the Chair according to the uniform rule and that this particular notice of adjournment motion was not submitted to the Chair. Therefore, on that ground alone it would be inadmissible. Moreover, there is another point to be mentioned, namely, that in an adjournment motion which has been submitted and admitted, sponsored by Mr. Sivathanu Pillai, the question of the last Kanni crop and thousands of acres lying fallow for which tax for Kanni is being collected on the ground that fallow remissions are not contemplated, practically the same question arises. So that this matter contemplated by Mr. Narayanaperumal Nadar will be within the competence of the House to discuss on the adjournment motion this afternoon. Therefore it is both inadmissible and superfluous and I rule it out.

MR. PUTHUPALLY S. KRISHNA PILLAI (*Legal Remembrancer*): Sir, in explaining the principles involved in the Insurance Bill, I pointed out yesterday how the Bill proposes to deal with the Provident Insurance Societies in the State. I shall now deal with the other important aspects of the Bill. After the Travancore Life Assurance Companies Act came into force one defect was noticed. When the Travancore companies are, under the provisions of that Act, bound to get themselves registered and to make the deposit contemplated by that Act, non-Travancorean companies are altogether able to escape the provisions of the law provided such companies are British Indian companies or United Kingdom companies. The only thing that those companies should do is to make a declaration that they are either of British Indian origin or of English origin. The Life Assurance Companies Act was modelled on the corresponding British Indian Act and the same difficulty that we now feel here was felt in British India. There United Kingdom companies could escape the provisions of the British Indian Act by a mere declaration. Whereas Travancore companies are compelled or are compellable to register themselves under the Act and make a deposit, all other companies become entitled to claim exemption from the operation of the Act. The majority of the life assurance companies working in the State are non-Travancorean. I may even say that so far there is not a single company formed under the Travancore Life Assurance Companies Act. Of course, the

LIBRARY ARCHIVES Kerala Legislative Assembly

same thing has happened in British India also. The proposal is therefore made that no life assurance company shall carry on any life assurance business in the State without its being registered under the provisions of the Act and when registration is made compulsory the company will also be compelled to make the deposit. We are therefore proposing to treat all life assurance companies alike, whether Travancorean or non-Travancorean. In regard to non-Travancorean companies carrying on insurance business there are certain provisions which will remove any hardship that might otherwise arise.

The Bill also deals with insurance agents. Every honourable member of this House knows what troubles and difficulties one may have in dealing with insurance agents. One day one man may come forward and say that he is an insurance agent and might book your application, receive an advance and then walk away. He may not thereafter be seen or heard at all. It may be that you might be paying some money to an insurance agent. You do not know what has happened to that money until you hear from the company that no amount has been remitted towards the last premium which fell due three months before. Such cases are not very rare and therefore it is proposed that no insurance agent shall carry on insurance canvassing business unless he has obtained a license therefor.

At the same time the Bill does not propose to deal with them without any mercy. Special provision is made for the benefit of agents who have been working for 10 or more years. It is provided that in case of termination of his services, he shall be entitled to get compensation. According to the existing law, policies are deemed to be issued from a place where the head office of the company is situated which is mostly outside Travancore. The company that carries on flourishing business in Travancore invariably takes care to see that such policies are issued from the head office. By so doing, policy holders who make payment in Travancore are very often put to the necessity of enforcing their claims in foreign countries. Provision is made that if the policy is issued to one in Travancore, a suit on that shall be maintainable in Travancore. Provision is also made that any question of law arising in connection with any such policy shall be determined according to the law in force in Travancore. It is not open to the company to say that, under the law of the land where the company was incorporated or where the head office was situated, a claim put forward in this State shall not be maintainable. It has been found that this method of evading payment of claims made by the insurers after maturity of their claims has been working to the detriment of the insurers in the State. A special provision, therefore, to safeguard their interests has been made. Obligation is cast on the insurers to inform policy holders when their policies lapse. It is also provided that in the case of insurance companies a proportion of the directorate shall be filled up from amongst policy holders.

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. Puthupally S. Krishna Pillai.]

As the existing laws are applicable only to life insurance business, it is proposed that this bill should comprehend all insurance business, whether it be fire insurance, or marine insurance or any other kind of insurance. It is also proposed to bring within the ambit of this Bill the class of insurers called Lloyd's underwriters who are carrying on insurance business extensively in the State.

It is proposed to prohibit the employment of managing agents. In the Travancore Companies Act, a provision has already been made prohibiting the employment of managing agents. Similar, but more drastic, provisions are made in this Bill for the purpose of doing away with the managing agency system in insurance business A special provision has also been made to deal with mutual insurance companies and co-operative insurance societies.

It is hoped that when this Bill is enacted into law, it would enable us to deal fully and effectively with insurance business in the State. I move that the Bill be read in the Assembly.

MR. M. P. JOSEPH: I second it.

The motion was put and carried.

The Secretary to the Sri Mulam Assembly then read the title of the Bill—

"The Travancore Insurance Bill."

MR. PUTHUPALLY S. KRISHNA PILLAI: I move that the Travancore Insurance Bill be referred to a Select Committee consisting of the following members :—

Mr, Kotalil P. Abraham.
Mr. P. C. Adichan.
Srimati Devaki Antherjanam.
Mr. John Joseph.
Mr. K. C. Karunakaran.
Mr. S. Krishna Iyer.
Mr. N. Ramakrishna Pillai.
Mr. P. Sivarama Pillai.
Mr. N. Narayana Kurup, and
The Legal Remembrancer.

MR. M. P. JOSEPH: I second it.

MR. PUTHUPALLY S. KRISHNA PILLAI: The Select Committee will report within 3 months.

PRESIDENT: The honourable member may be aware that the budget meeting comes off in July. There would probably be a meeting Before that when it would be useful to have all the commercial bills passed so that we might become up-to-date in regard to our commercial legislation. The Legal Remembrancer might consider that.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. PUTHUPALLY S. KRISHNA PILLAI: The Select Committee would try to present their report even before three months.

The motion that the Select Committee consisting of the above members be appointed to consider the Bill was then put and carried.

THE TRAVANCORE CONTRACT BILL.

MR. PUTHUPALLY S. KRISHNA PILLAI: I beg to introduce the Travancore Contract Bill. In the Statement of Objects and Reasons I have pointed out what exactly is the implication contained in the Bill. Our courts have been following, in most cases, the provisions of the Indian Contract Act. In some cases our courts have made departures, of course, basing their decision on the English law of contracts. Wherever they have done so, they have stated that the decision is in consonance with justice, equity and good conscience. It is found after careful consideration of all these decisions and a comparative study of the provisions of the Indian Contract Act that it would be better to have uniformity and definitness in matters arising under contract. Therefore, in preparing this Bill, the provisions of the Indian Contract Act have been followed. The Bill when enacted into law will mark a divergence in regard to the law relating to contracts in one or two respects. For instance, the law relating to contracts without consideration but made out of natural love and affection and the revival of a barred debt. It may be noted that such special provisions will apply only to contracts that will come into existence after the passing of the Act. Honourable members are aware of the provisions of the Indian contract Act and I do not therefore propose to deal exhaustively with the provisions contained in the Bill. The only thing that I wish to point out is that some of the chapters of the Indian Contract Act have been repealed and re-enacted as separate statutes. The chapters dealing with 'sale of goods' and 'partnership' have been repealed and a separate Sale of Goods' Act and a Partnership Act have been enacted. Along with the Contract Bill, separate Bills relating to Sale of Goods and Partnership have been prepared and are submitted for the consideration of the House. The absence of a Statute Law relating to contracts has been keenly felt by members of the profession and the litigant public. This Bill, it is hoped, will satisfy a badly felt need. I now move that the Bill be read in the Assembly.

MR. M. P. JOSEPH: I second it.

PRESIDENT: The idea underlying many of these Bills coming up before the House is that in view of the growth of trade and commerce and in view of the many reactions that are taking place outside, it is well to bring our commercial laws also up-to-date.

The motion was put and carried.

The Secretary to the Assembly then read the title of the Bill:—

"The Travancore Contract Bill".

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